

ADOPTION

HEALTH AND SENIOR SERVICES

DIVISION OF SENIOR BENEFITS AND UTILIZATION MANAGEMENT

LONG TERM CARE TARGET OCCUPANCY

Adopted Amendment: N.J.A.C. 10:63-3.16

Proposed: June 16, 2003 at 35 N.J.R. 2627(a).

Adopted: February 10, 2004 by Clifton R. Lacy, M.D., Commissioner,
Department of Health and Senior Services

Filed: February 13, 2004 as R.2004 d.99, without change.

Authority: N.J.S.A. 30:4D-1 et seq.; 42 U.S.C. §1396a(a)(13)(A); 42
U.S.C. §1396; and Executive Reorganization Plan No. 001-
1996.

Effective Date: March 15, 2004

Expiration Date: September 24, 2004.

Summary of Public Comments and Agency Response:

Comments were received from the New Jersey Hospital Association and the Health Care Association of New Jersey in support of the proposed amendment.

Federal Standards Statement

A Federal standards analysis is not applicable, as the adopted amendment is subject to, but does not exceed, Federal requirements.

Nursing facility reimbursement is governed by Federal law which requires that the methodologies underlying the establishment of the rates, and justification for the adopted rates, be published so as to allow providers, beneficiaries, their representatives, and other concerned State residents the opportunity to comment. This adopted amendment is intended to satisfy the statutory requirement. 42 U.S.C. §1396a(a)(13)(A).

Full text of the adoption follows:

10:63-3.16 Target occupancy levels

(a) A target occupancy level of 95 percent of licensed bed-days (excluding quiet beds) will be used to develop the reasonable per diem amounts for the following rate components:

1.-5. (No change.)

(b) If base period patient days exceed licensed bed days calculated per (a) above, then the target occupancy will be entered at 95 percent of actual base period patient days.

(c) For new Class I and Class II facilities, an occupancy rate of 80 percent will be used for provisional rates during the first year of operation subject to retroactive adjustments to actual occupancy should it exceed 80 percent (but no higher than 95 percent will be used).

(d) For Class III NFs, if the base period Medicaid occupancy is 80 percent or greater, the target occupancy rate components in (a) above will be 90 percent.

(e) (No change.)

(f) For rates implemented on or after January 1, 2003, target occupancy for the General Services, Nursing and Special Patient Care components shall be calculated as follows:

1. For those nursing facilities that are at or above 85 percent occupancy, the reasonable base period costs shall be divided by actual base period patient days.
2. For those nursing facilities that are below 85 percent occupancy, the reasonable base period costs shall be divided by 85 percent of licensed bed days.
3. Actual base period patient days shall include paid bed hold days.